

Hello Colorado Wheat.

KC wheat dropped about 35c last week, taking the brunt of some moisture in the Great Plains and maybe seeing a few Ukrainian boats get loaded; other wheat markets were lower, but not as much. Corn closed about unchanged for the week, but soybeans were down more than 40c, as Nov beans closed below \$13.00. “Harvest pressure” gets blamed, but the real reason is soybeans depends almost solely on how aggressive China is buying, and in that regard...they are buying only enough to refill the pipeline. The stock market didn’t have to fall very far to print a new red number, which it did, as rising interest rates, high consumer prices on about everything and a poor political climate are contributing to a sour mood.

All in all...not a pretty week, and early Sunday night action was slightly either side of unchanged. I read a wire saying the “professional chatter” is Funds are long energies and short Ags and are expected to press that way for the end of the quarter, so I wouldn’t be too surprised to see this week close that way.

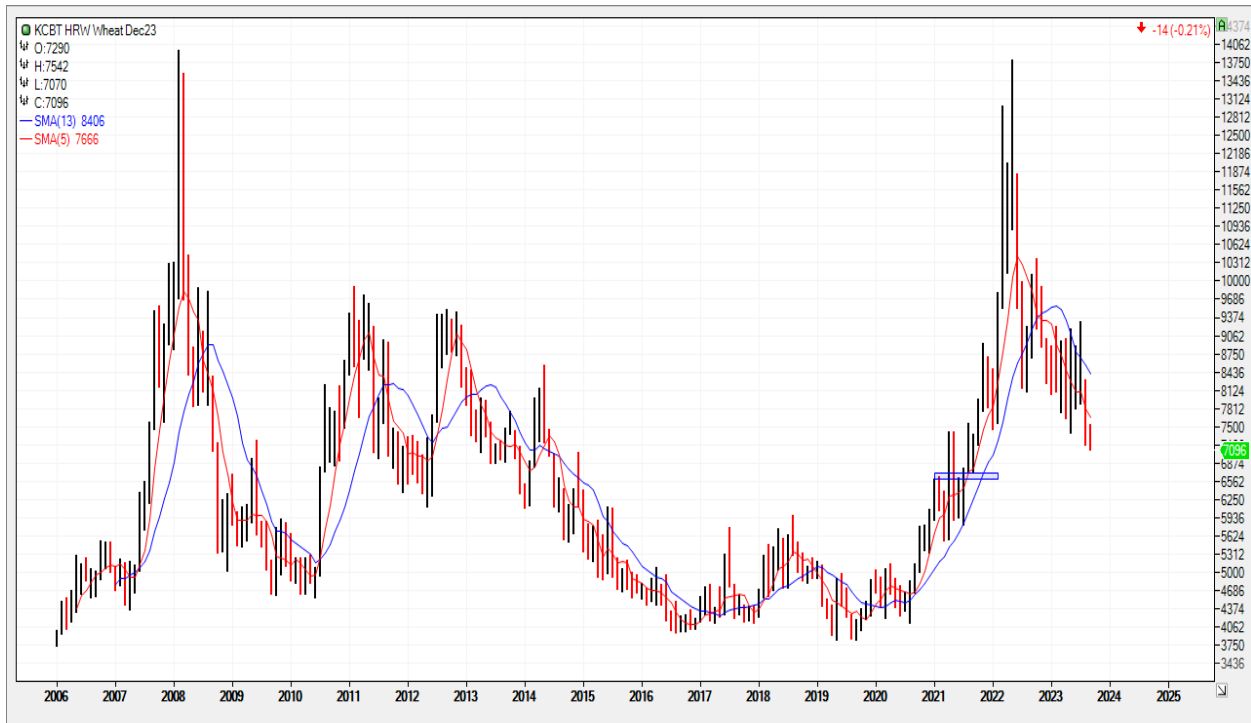
	Dec '23 HRW	July '24 HRW	Dec'23 corn	July '24 corn	Chgo Z wheat	Springs Dec (Z)	Nov'23 soybean	July '24 Soybean	Crude oil	S&P
CLOSE	KWZ23	KWN24	CZ23	CN24	WZ23	MWZ23	SX23	SN24	CRD22	ES22
09/22	\$7.11	\$7.11	\$4.77	\$5.06	\$5.80	\$7.71	\$12.96	\$13.33	\$90.03	\$4361
09/15	\$7.47	\$7.36	\$4.76	\$5.04	\$6.04	\$7.89	\$13.40	\$13.70	\$90.77	\$4498
09/08	\$7.32	\$7.23	\$4.84	\$5.10	\$5.96	\$7.71	\$13.63	\$13.85	\$87.51	\$4462
09/01	\$7.23	\$7.18	\$4.82	\$5.09	\$5.96	\$7.60	\$13.69	\$13.88	\$85.55	\$4522
08/25	\$7.65	\$7.54	\$4.88	\$5.15	\$6.22	\$7.76	\$13.88	\$14.00	\$80.25	\$4422
08/18	\$7.61	\$7.50	\$4.93	\$5.19	\$6.39	\$8.18	\$13.53	\$13.70	\$81.25	\$4382
08/11	\$7.66	\$7.66	\$4.87	\$5.15	\$6.54	\$8.30	\$13.08	\$13.25	\$83.19	\$4481
08/04	\$7.69	\$7.67	\$4.97	\$5.23	\$6.60	\$8.38	\$13.33	\$13.42	\$82.82	\$4498
07/28	\$8.69	\$8.33	\$5.30	\$5.51	\$7.28	\$9.07	\$13.83	\$13.74	\$80.58	\$4607
07/21	\$8.67	\$8.19	\$5.36	\$5.56	\$7.18	\$8.97	\$14.02	\$13.86	\$77.07	\$4565
07/14	\$8.34	\$7.92	\$5.14	\$5.36	\$6.81	\$8.90	\$13.71	\$13.54	\$75.42	\$4537
07/07	\$8.20	\$7.76	\$4.94	\$5.17	\$6.67	\$8.55	\$13.18	\$13.10	\$73.86	\$4434
Year ago	\$8.01	\$8.01	\$5.93	\$5.93	\$7.70	\$9.79	\$13.40	\$13.40	\$75.57	\$4762

Charts and discussions follow, with the goal of giving you useful information to help you with the business of marketing your crops. My disclaimer remains the same: these are my sometimes rapidly changing opinions. ALSO, USE THE BEST MANAGEMENT PRACTICES YOU CAN. STUDIES SHOW GOOD MANAGEMENT ADDS AN AVERAGE OF 13 BU/ACRE; IT PAYS FOR ITSELF

This is KC Dec wheat, showing the new Red like at \$7.11. I drew in a lower-trending channel too, because it fit pretty well. This chart suggests a test of \$7.00 is coming.



This long-term monthly continuous chart suggests the \$6.60 to \$6.70 area might offer some support:



What contributed to sinking wheat prices? One thing is most talking heads only focused on the declining world wheat ending stocks situation shown in the September WASDE update. I think this possibly has led to a false sense of confidence that USA wheat will be greatly “needed”.

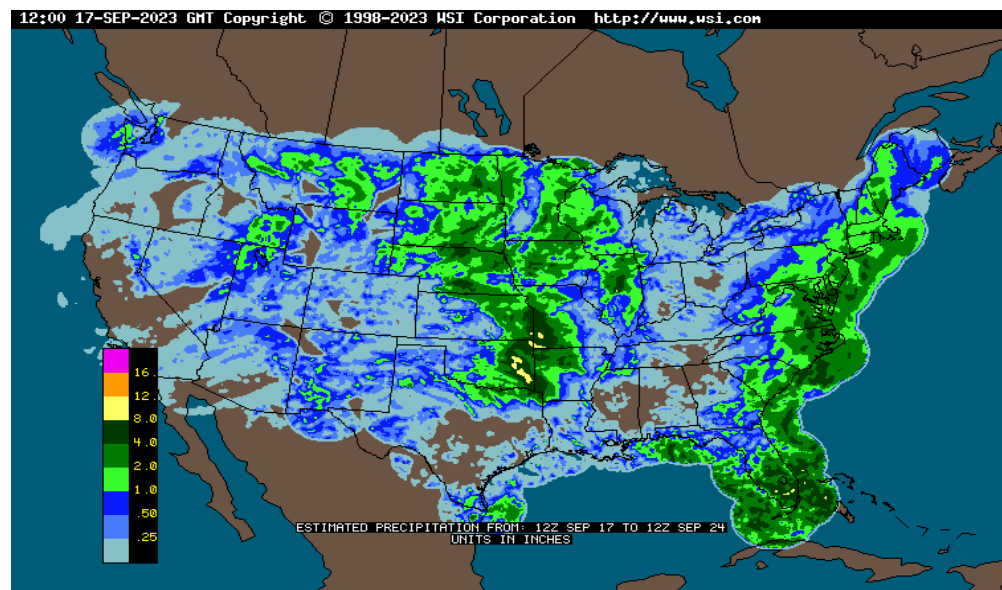
The Export Pace scorecard isn’t great for wheat, or corn, or beans...but this isn’t new.

WEEK ENDED (09/14/23)	Weekly loadings	Accumulated in season (FGIS)	Estimated fudge factor	Total loaded est*	USDA projection	Amount needed	Weeks to go	Bu per week needed
Corn	25.3	49.9	175	225	2,050	1,825	50	36.5
Soybeans	14.4	28.2	60	88	1,790	1702	50	34.0
All wheat	13.5	188.2	100	288	700	412	37	11.1
Milo	1.8	7.2	5	12	255	243	50	4.9
LAST WEEK								
Corn	24.6	24.6	175	200	2,050	1,850	51	36.3
Soybeans	11.4	11.4	60	71	1,790	1719	51	33.7
All wheat	14.3	174.7	100	274	700	426	38	11.2
Milo	5.3	5.3	5	10	255	245	51	4.8

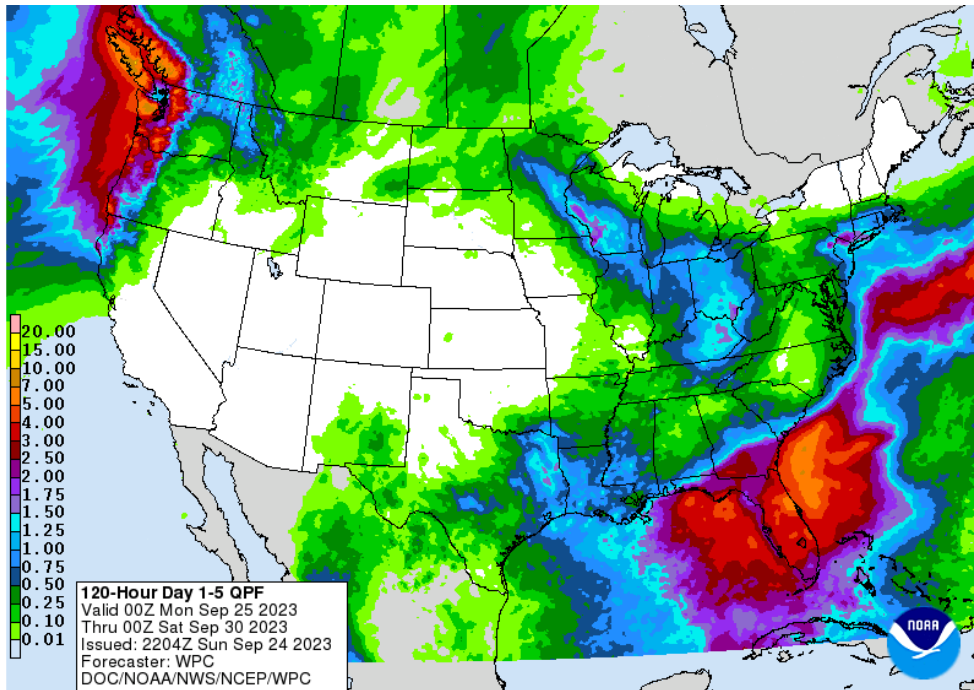
The lack of a new “Black Sea Grain Deal” probably also fostered some hope that USA wheat would fill in some export needs, but last week we saw Egypt buy wheat from Romania, at about \$272 CIF (delivered, including freight), while Russia is trying to sell wheat at \$270 FOB, ...

<https://www.nasdaq.com/articles/egypts-gasc-buys-120000-tons-of-romanian-wheat-in-tender>, and we saw some progress on moving Ukrainian grains, especially from Romania...so it’s possible the “Romanian” wheat crop just got significantly “larger”...<https://www.msn.com/en-us/news/world/slovakia-romania-and-poland-move-to-settle-grain-dispute-with-ukraine/ar-AA1h39C6>

I also believe the **perception** is the Great Plains have been wetter, although the reality is much of Western KS and Eastern CO were missed:



And this week will be hot, windy and dry, but that's not catching any media buzz:



So... even though many think HRW planting conditions are much improved, it's debatable.

Canada's drought (and wildfires and smoke) caught plenty of attention, and have pushed the MGEX July'24 to 95c/bu over KC July'24, which in my opinion, makes this spread greatly overpriced, but this spread is certainly not very liquid, although why China would pay almost a dollar premium for old-crop spring wheat compared to new-crop hard winter I find hard to believe.



The spread chart doesn't show much other than it's been a one-way ticket up.

While we're talking about new-crop Hard Red, I did ask a couple times about why we're not seeing a push for GMO wheat here in the States. The standard answer is it would hurt exports and possibly retail consumer demand, but I received this email from a wheat farmer friend, and it's pretty good. ***"Oh yeah, we talk about it all the time...at every meeting. But I think ...the cost of gene editing stifles it a bit. If those seed companies can't get a huge premium and CSO rules on a release of GM wheat, they don't want to do it. They think they need \$500/bag of gm wheat to make it worth their time, because that's what they're getting on a bag of corn. And I think a lot of farmers out there don't think it would be worth that huge seed price."*** Pretty good answer in my opinion, and I need to thank him for sending it.

Gulf basis bids aren't doing anything:

GULF date	12 pro	ords	diff	
9/22/2023	80	80	0	
9/15/2023	80	80	0	
9/8/2023	80	80	0	
9/1/2023	80	80	0	Z

And posted basis bids in the country did not move either:

Date	SE Colorado	Chey. Wells	Burlington	Holyoke area	Roggen area
09/22	\$6.16-\$6.26	\$6.31	\$6.16-\$6.26	\$5.96-\$6.15	\$6.25-\$6.91
09/15	\$6.52-\$6.62	\$6.67	\$6.52-\$6.62	\$6.32-\$6.51	\$6.61-\$7.27
09/08	\$6.37-\$6.47	\$6.52	\$6.37-\$6.47	\$6.10-\$6.36	\$6.46-\$7.12
09/01	\$6.28-\$6.38	\$6.43	\$6.28-\$6.38	\$6.06-\$6.27	\$6.41-\$7.03
BASIS	SE Colorado	Chey. Wells	Burlington	Holyoke	Roggen area
09/22(Z)	-95, -85	-80	-95, -85	-115, -96	-86, -20
09/15(Z)	-95, -85	-80	-95, -85	-115, -96	-86, -20
09/08(Z)	-95, -85	-80	-95, -85	-122, -96	-86, -20
09/01(Z)	-95, -85	-80	-95, -85	-117, -96	-82, -20
Date	Concordia	Salina	Hutch/Wichita	Ark City	
09/22(Z)	-50	-35, -20	-49, -17	-53	
09/15(Z)	-50	-35, -20	-49, -17	-53	
09/08(Z)	-55	-35, -20	-49, -17	-53	
09/01(Z)	-55	-35, -20	-49, -17	-53	

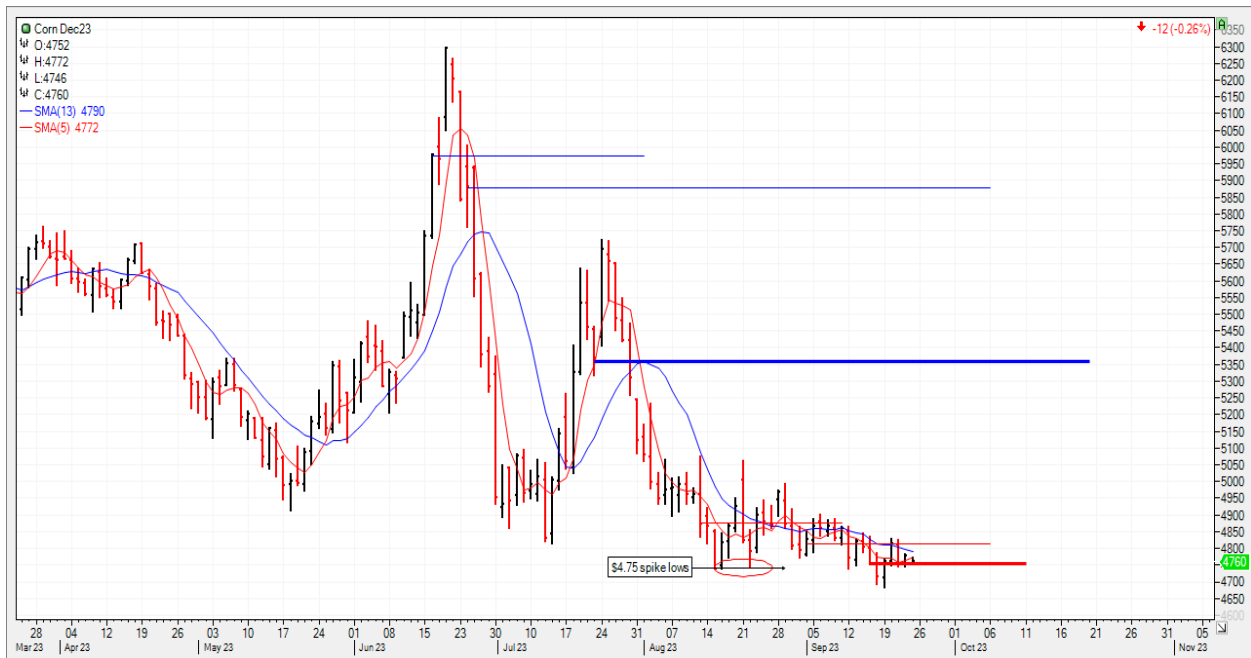
Along those lines...I know this is a Colorado wire, but this is applicable...

I did get an email saying "Maltby, Scott City is only -80 bid" ... and my defense is I take the bids from the AMS website, which I then have to interpret. Technically, the AMS branch of the USDA shoes Kansas bids by region, and I call Scott City in the West, and the AMD USDA is showing the West region as : "-80 to -55" ...and due to space constraints, I have chosen to show the best bid, BUT...now I wonder if I am doing a dis-service, because if he expected to get -55, and all he got was -80, then...I did him no favor. So I am thinking about changing my country bid insert.

I did do some research using AgWeb, where you can type in a zip code and it shows you various posted bids... <https://www.agweb.com/markets/cash-grain-bids?zip=67871> and noticed there is indeed a -55 basis bid in Scott City, BUT it's for new-crop delivery!

Which means...the AMS branch of the USDA probably needs to read the fine print, but...it is what it is.

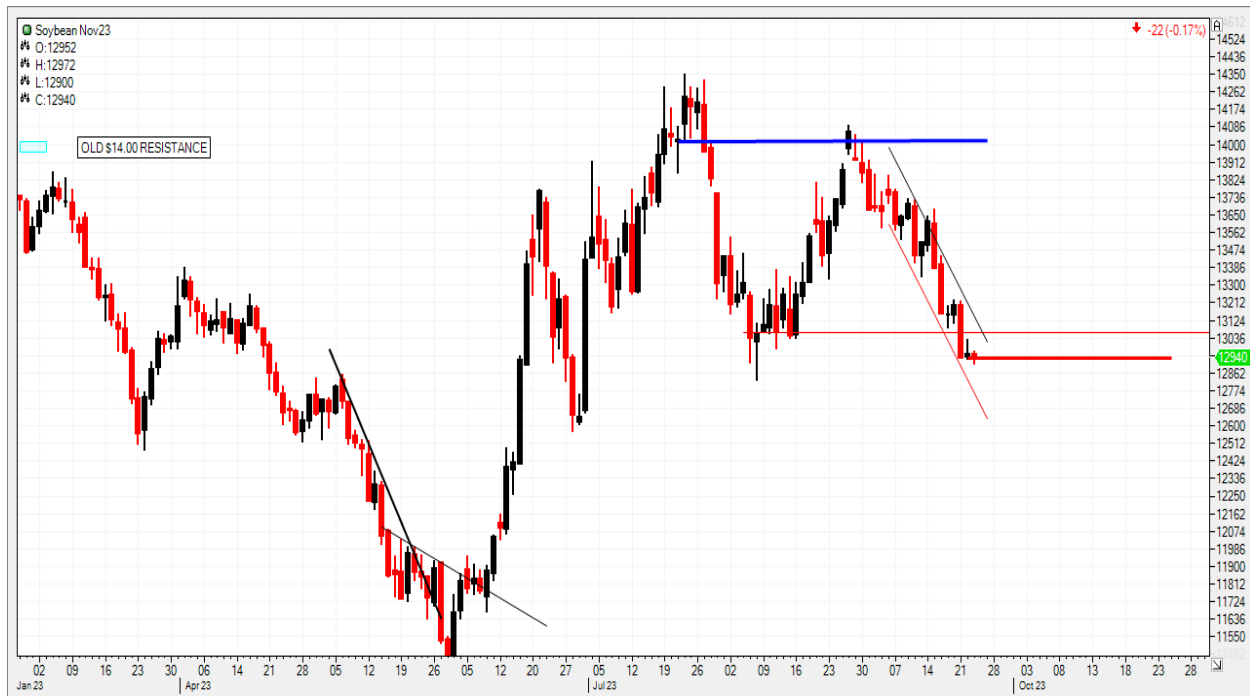
Last week I sold more corn, saying I probably should wait until the \$4.75 spike lows break down, but I wasn't waiting...and this chart of Dec corn suggests...I probably should have waited, EVEN THOUGH...I am bearish because I am convinced the USDA is overstating demand. Anyway...the \$4.75 area is still holding, at least for now.



I've sold 85% of my corn.

I've only sold 50% of my beans...and that's not looking super smart.

Nov beans here, with a new lower Red line and a nasty looking channel:



Where I've misled myself is thinking the tight carryout and low ending stocks/usage ratio will prevent soybeans from going lower, which...has not happened.

That chart looks like I can wait, and watch 'em sink another buck and then see how big a rally we get, or...sell some more now, before they sink that buck.

What the...

I'm selling another 10% of my beans now, and will sit a bit on the remaining 40%.

Hopefully after the Funds decide to take off their long crude, short beans...spread, I'll get a better chance at selling the remaining beans at a better price.

And that's my hope for selling more new-crop Hard Red too.

World wheat news seemed limited. A few weeks ago we saw a comment from the Russian Ag Minister saying there were diesel shortages and he was concerned about harvesting. Then a couple days ago Russia banned exporting refined fuels. <https://thewest.com.au/business/cnbc/russias-indefinite-ban-on-diesel-exports-threatens-to-aggravate-a-global-shortage-c-12005009>

Have a good week. I know you're busy. Corn, bean, and/or milo harvests plus wheat planting.

But getting in a hurry will not help things. Slow Down.